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No. 04-1219

Supreme Court, U.S.
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IN THE

Supreme Court of the United States

JAMES W. NEWTON, JR., dba JANEW MUSIC,

Petitioner,

v.

MICHAEL DIAMOND, *et al.*,

Respondents.

ON PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE NINTH CIRCUIT

BRIEF IN OPPOSITION

BARRY I. SLOTNICK
Counsel of Record
KENNETH B. ANDERSON
ALEXANDRA N. DENEVE
LOEB & LOEB LLP
345 Park Avenue
New York, NY 10154
(212) 407-4000

Attorneys for Respondents

194368

COUNSEL PRESS
(800) 274-3321 • (800) 359-6859

CORPORATE DISCLOSURE STATEMENT

Respondent Capitol Records, Inc. is a wholly-owned subsidiary of EMI Group North America Holdings, Inc., a privately owned company. The ultimate parent company, through a series of privately owned intermediate entities, is EMI Group, PLC, a United Kingdom public company.

Respondent Grand Royal Records, Inc. is a privately owned company. It is not a subsidiary of any other company and has no shareholders that are publicly held companies.

Respondent Universal Polygram International Publishing, Inc. is a wholly-owned subsidiary of Vivendi Universal S.A., a public company.

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SUMMARY OF THE ARGUMENT

Respondents oppose Petitioner's request for *certiorari* because his case does not pose any disputed question of federal law deserving of this Court's time and attention. Petitioner has fabricated a "Circuit split" and an appellate court error where none exist in a futile attempt to reverse his losses at both levels of the lower courts. There is no split between the Circuits concerning whether to take a "specialized audience" into account in assessing similarity in a copyright case, as evidenced by the fact that the district court and the Ninth Circuit *did* consider the view of a "specialized audience" (via expert testimony) in finding against the Petitioner. The lower courts' consideration of both parties' experts also refutes Petitioner's second ground for his request, namely that disputed issues of fact raised by the experts were ignored by the lower courts. The Supreme Court's counsel and resources should not be squandered on addressing the grievances of a disgruntled plaintiff, one whose case was fully and fairly heard and decided under black letter law about which there is no dispute among the Circuits. Petitioner's request for *certiorari* should be denied.

I. THERE IS NO CONFLICT BETWEEN THE CIRCUITS SUFFICIENT TO MERIT SUPREME COURT INTERVENTION.

There is no Circuit split regarding the recognition of the perspective of a specialized audience when determining the substantial similarity between two works. The cases that Petitioner relies upon, and other cases in these jurisdictions, reveal that courts consider the view of specialized audiences on a case-by-case basis based upon the facts of the particular case, even in those Circuits that the Petitioner claims do not consider "specialized audiences." *See, e.g., Johnson Controls, Inc. v. Phoenix Control Sys., Inc.*, 886 F.2d 1173,

1176 n.4 (9th Cir. 1989) ("By 'reasonable person' we mean a reasonable person in the intended audience."); *Well-Made Toy Mfg. Corp. v. Goffa Int'l Corp.*, 210 F. Supp. 2d 147, 161-62 (E.D.N.Y. 2002) ("Slight reverberations in Second Circuit case law suggest that the perceptions of the specialized intended audience may be significant. . . ."), *aff'd*, 354 F.3d 112 (2d Cir. 2003); *Positive Black Talk, Inc. v. Cash Money Records, Inc.*, 394 F.3d 357, 373 (5th Cir. 2004) (affirming use of jury instruction: "The test for expression of ideas is whether the intended audience would find the total concept and feel of the two songs to be substantially similar.")

In fact, the Fourth Circuit case[1] on which Petitioner places so much weight, relies upon Second[2] and Ninth[3] Circuit cases for its holding that inquiry into the perspective of the specialized audience was appropriate at the Court's discretion in assessing substantial similarity. *See Dawson v. Hinshaw Music, Inc.*, 905 F.2d 731, 734 (4th Cir.), *cert. denied*, 498 U.S. 981 (1990). There is no line drawn in the sand, as Petitioner would have this Court believe, regarding the use of a "specialized audience" perspective versus a refusal to do so.[4] In fact, the Nimmer treatise explains at

1. *Dawson v. Hinshaw Music, Inc.*, 905 F.2d 731 (4th Cir.), *cert. denied*, 498 U.S. 981 (1990).

2. *Arnstein v. Porter*, 154 F.2d 464 (2d Cir. 1946).

3. *Sid & Marty Krofft Television v. McDonald's Corp.*, 562 F.2d 1157 (9th Cir. 1977).

4. At bottom, what Petitioner is actually referring to is whether Courts allow the use of expert testimony during the substantial similarity analysis because, practically, experts are the only way a trier of fact can understand the perspective of a specialized audience. It is undisputed that all jurisdictions allow the use of experts to assess similarity. *See, e.g., Baxter v. MCA, Inc.*, 812 F.2d 421, 424 (Cont'd)

length the various formulations of the "audience test" applied across the Circuits, but makes no mention of a distinction between use of a lay audience versus a specialized audience. *See* 4 MELVILLE B. NIMMER & DAVID NIMMER, NIMMER ON COPYRIGHT § 13.03 [E][3] (2005) (hereinafter cited as "NIMMER"); *cf.*, *e.g.*, *Dawson*, 905 F.2d at 733 n.1 ("Some courts use a different set of labels for the two-prong inquiry. . . . The difference in labels need not concern us because the apparent consensus as to the nature of the tests applicable to each prong of the substantial similarity inquiry smooths[sic] over . . . underlying differences in the inquiry's two characterizations.").

At most, some commentators (but not Nimmer) identify the Fourth Circuit alone as one which has turned the factual inquiry regarding audience perspective used by all the Circuits into an actual "intended audience" rule. *See* Kristin Klick, *Lyons Partnership, L.P. v. Morris Costumes, Inc. – The Fuzzy Test Is Appropriate for Barney: The Fourth Circuit Casts Aside Adult Reasoning in Determining The Substantial Similarity Between The Famous Purple Dinosaur and an Imposter*, 61 Md. L. Rev. 1162, 1166, 1170-71 (2002); Leon Friedman, *Substantive and Procedural Aspects of Copyright Litigation*, 787 PLI/Pat 349, 371-71 (2004) ("If audience for works is specialized, test of substantial similarity is with respect to the reaction of the specialized audience. [The] [sic] Fourth Circuit has developed the 'intended audience' rule. . . .").

(Cont'd)

n.2 (9th Cir.) ("Upon remand . . . expert testimony and analytic dissection offered as to 'striking similarity' [of musical works] would certainly merit submission to a jury. . . ."), *cert. denied*, 484 U.S. 954 (1987); *Stromback v. New Line Cinema*, 384 F.3d 283, 295 (6th Cir. 2004).

Petitioner cites no basis or reason for imposing the Fourth Circuit "rule" (which is simply a common law codification of how the test is practically applied elsewhere) on the Circuit in which the case was brought and ignoring its black letter precedent. Moreover, even the Fourth Circuit does not require that the "intended audience" rule be applied in every copyright case, or even in most of them. *See Dawson*, 905 F.2d at 736 (the burden of the rule would be a "substantial one if our holding were read as an invitation . . . to put before the court the seemingly unanswerable question of whether a product's audience is sufficiently specialized to justify departure from . . . the ordinary observer test. . . . [Therefore] in any given case, a court should be hesitant to find that the lay public does not fairly represent" the intended audience.)

Petitioner also mischaracterizes the issue that is "ripe" for Supreme Court review identified by the Nimmer treatise. *See* 4 NIMMER, § 13.03 [E][1][b], at 13-86 n.202.15. The issue the Nimmer treatise is referring to is not whether the "audience test" should be applied from the perspective of the ordinary lay observer versus a specialized audience member, but rather whether the "audience test" should be applied *at all*, and, in a footnote (*id.*), cites the differing applications of the test across the Circuits as one reason Supreme Court review for the entire doctrine may be appropriate. *See also id.* § 13.03 [E][1][b], at 13-86-87 ("Given the questionable doctrinal footing for the audience test and . . . the myriad exceptions in the way it is applied. . . . [i]t would seem preferable, in short, to discard the audience test."). Nimmer believes that the "audience test" is a departure from this Court's formulation of the copyright infringement test in *Fiest Publications, Inc. v. Rural Telephone Service Co.*[5], and therefore should be reviewed by this Court. *See id.*, § 13.03[E][1][b], at 13-85-87. This issue, however, is not the question that Petitioner poses this Court, which is

5. 499 U.S. 340 (1991).

far narrower and concerns *how* the "audience test" should be applied, not whether it should be applied at all. If this Court were to reconsider and abandon the "audience test" overall in reviewing Petitioner's case, such a holding would only be dictum here. This case is not the case to reconsider the "audience test" if such a review is even necessary.

Moreover, Petitioner is not correct that the "audience test" application is the only "disagreement" among the Circuits in copyright law ripe for Supreme Court review. To name only one example, just this past March this Court heard arguments in *Metro-Goldwyn-Mayer Studios, Inc. et al. v. Grokster Ltd., et al.*, No. 04-480, which concerned a split between the Seventh and Ninth Circuits in the application of the doctrine of contributory and vicarious liability for copyright infringement.

Even if the differing applications of the "audience" test identified by the Petitioner could be considered a true Circuit split worthy of Supreme Court attention, the instant case does not concern that particular difference of opinion. Not one of the cases Petitioner cites as evidence of this split from either one of the two groups of Circuits concerns the same issue as the case at bar — the determination of whether the portion used from Petitioner's work was a *de minimis* portion of the asserted work overall. All of the cases cited concern the assessment of *similarity* between the works, not a *de minimis* analysis. *See cases cited in Pet'r. Br.*, pp. 13-18. Although related, there is a distinction between these two analyses as the Ninth Circuit noted. *See Newton v. Diamond*, 388 F.3d 1189, 1193 (9th Cir. 2004); *see also* 2 NIMMER, § 8.01[G], at 8-24 (the defense of *de minimis* copying is the "converse" of substantial similarity). Thus, the so-called "Circuit split" identified by Petitioner does not concern the specific issue in this case, and its resolution would not provide Petitioner the relief he is seeking.

Finally, Petitioner has no basis for claiming that the perspective of a "specialized audience", *i.e.* an expert, was not used in his case because in fact it was. Both the district court and the Ninth Circuit clearly relied on both sides' experts to assess the *de minimis* nature of Respondents' use. *See Newton*, 388 F.3d at 1194, 1196. The experts' opinions on both sides of the case are quoted extensively in the Ninth Circuit's opinion. *Id.* Clearly, neither the district court nor the Ninth Circuit relied on a lay audience perspective to conclude that the Respondents used a *de minimis* portion of Petitioner's composition. *See*, *e.g.*, *id.* at 1194. The Ninth Circuit's reliance on experts here demonstrates that the "critical split" identified by Petitioner among the Circuits is a fabrication. And, again, provided such a split does exist, its resolution will have no affect on Petitioner's case because the lower courts here did rely on a specialized, expert perspective to find for the Respondents.

II. THE NINTH CIRCUIT DID NOT ERR IN AFFIRMING SUMMARY JUDGMENT.

The two sides of Petitioner's argument are inconsistent. In the first section of his brief, Petitioner complains that the courts below did not take expert analysis (in order to understand the perspective of a "specialized audience") into sufficient account; in the second section of his brief, he complains that the courts below did not allow the trier of fact (a jury that would undoubtedly consist of non-experts in the majority if not the entirety) to make factual determinations. The two sides of Petitioner's entire argument are fundamentally at odds.

Furthermore, Petitioner's claim that the courts below disregarded the expert testimony, and thereby ignored disputed issues of fact, is incorrect. The courts below extensively analyzed and relied upon both parties'

experts to reach their conclusion. Petitioner's true concern is not that the lower courts disregarded his experts, but that they found his experts' testimony supported Respondents' argument. *See Newton*, 388 F.3d at 1194 ("In filtering out the unique performance elements from consideration, and separating them from those found in the composition, we find substantial assistance in the testimony of Newton's own experts."), 1196 ("Newton ... maintains that the testimony of his experts creates a genuine issue of material fact. ... To the extent the expert testimony is relevant, it is not helpful to Newton.") Petitioner is simply hoping for another chance to prevail on his case. Respectfully, Petitioner's loss in the courts below does not concern legal questions of sufficient import to require the Supreme Court's attention and resolution.

CONCLUSION

For all the reasons cited above, Respondents' respectfully request that this Court deny the Petition for Writ of Certiorari.

Respectfully submitted,

BARRY I. SLOTNICK
Counsel of Record
KENNETH B. ANDERSON
ALEXANDRA N. DENEVE
LOEB & LOEB LLP
345 Park Avenue
New York, NY 10154
(212) 407-4000

Attorneys for Respondents